

STATE OF MICHIGAN
DEPARTMENT OF AGRICULTURE
MARKETING & COMMUNICATION DIVISION
P.O. BOX 30017
LANSING, MICHIGAN 48909

GRAIN DEALERS BOND FOR WAREHOUSE RECEIPTED AND OPEN STORAGE FARM PRODUCE

BOND NUMBER _____

KNOW ALL MEN THESE PRESENTS: That _____
WAREHOUSE FIRM NAME

of _____, _____, as PRINCIPAL, and
CITY STATE

_____ of _____
BONDING COMPANY CITY

_____ as SURETY, are jointly and severally held and firmly bound to the Michigan
STATE

Department of Agriculture, in the penal sum of _____ Dollars (\$_____) lawful money of the United States, to the payment of which, well and truly to be made, we bind ourselves and each of us and each of our successors, heirs, executors, administrators and assigns firmly by these presents.

THE CONDITION OF THIS BOND IS SUCH THAT,
WHEREAS, the above bound PRINCIPAL has made application to the Michigan Department of Agriculture for a license to operate a storage facility(s) located at

NOW THEREFORE, if the above bounden PRINCIPAL shall well and faithfully perform and discharge all of the duties as such Grain Dealer and comply with all of the laws of this State, and rules and regulations promulgated by the Michigan Department of Agriculture relating thereto, then this obligation to be void and of no effect; PROVIDED HOWEVER, the aggregate liability of the surety on this bond for any one or more claims shall be limited to the aggregate amount of this Bond as specified above. Although this Bond is continuous in nature, the liability of the SURETY hereunder shall not accumulate for each successive license period during which this Bond is in effect and the liability shall not be affected by the number of claimants involved in the transactions covered by this bond.

PROVIDED FURTHER, that the liability of the SURETY is limited to warehouse receipted and open storage produce only and shall not extend to price later agreements or to any other form or type of security.

IT IS further conditioned that this bond may be cancelled by the surety by mailing written notice to the Michigan Department of Agriculture stating when not less than 60 days thereafter such cancellation shall be effective. However, such notice shall not release the SURETY from liability already accrued or which shall accrue before the expiration of said 60 day notice.

This bond made pursuant to the provisions of the Grain Dealers Act No. 141, Public Acts 1939 as amended.

IN WITNESS WHEREOF, the aforesaid PRINCIPAL and SURETY have herewith set their and seals this

_____ day of _____, 20__.

(Seal of Principal)

PRINCIPAL

By _____

Title _____

Attest _____

SECRETARY /WITNESS

(Seal of Surety)

SURETY

By _____

COUNTERSIGNED BY:

ATTORNEY-IN -FACT

RESIDENT MICHIGAN AGENT OR SURETY

Section 27 of Act No. 141, public Acts of 1939 as amended requires that this bond shall run to the department of agriculture (Michigan) and apply only to warehouse receipted and open storage transactions.

It further requires that the amount of said bond shall be \$15,000 for the first 10,000 bushels of capacity intended for storage of the grain dealer, plus \$5,000 for each additional 10,000 bushels capacity or fraction thereof used for storage of farm produce. Holders of collateral warehouse receipts or receipts issued in the name of the grain dealer may not recover against this bond.

In lieu of the bonding requirements set forth in Section 27 for each storage facility any person, partnership, firm, association or corporation owning two or more storage facilities may furnish a blanket surety bond equal to the sum of the requirements for the individual locations.

However, when such requirements are equal to or greater than \$400,000 a blanket bond in the amount of \$400,000 shall be considered sufficient to meet the requirements of this act.

Such bond shall show the address and capacity of each storage facility. The term of the bond shall be continuous, and the aggregate liability of the surety on the bond shall be limited to the aggregate amount of the bond set forth on the face hereof. Although the bond is continuous in nature, the liability of the surety shall not accumulate for each successive license period during which this bond is in effect and the liability shall not be affected by the number of claimants involved in the transactions covered by this bond.